

INDUSTRY UPDATE

Biweekly Period Ending August 26, 2000

Phoenix Metro Area

Services

The **Salt River Pima-Maricopa Indian Community** will **open** a new **100,000-square foot casino** in September at Loop 101 and McKellips Road, replacing a smaller tent-like facility. The \$45 million casino, which will feature 500 slot machines, a 50-table card room, five restaurants, and a sports bar, will employ 1,500 people. Between 35 and 40 percent of the workers will be members of the tribe.

Finance, Insurance, and Real Estate

SunCor Development and **McCarthy Construction** have announced they will **move** their **headquarters** from Phoenix into the first building of the 1.62 million-square-foot **Tempe Hayden Ferry Lakeside** project. Hayden Ferry, which will sit on the north side of Tempe Town Lake, has been called the next "Camelback Esplanade," because of its upscale nature and its closeness to downtown Tempe, which has a mix of high-end commercial and residential real estate and restaurants. The project will include 790,000 square feet of office space, 388 condominiums, and a hotel. SunCor and McCarthy, which is the contractor on Hayden Ferry, will **bring 100 and 35 employees**, respectively, to Hayden Ferry.

Not far from Hayden Ferry, the currently under construction **Brickyard on Mill** project has **landed two more tenants**. A **Bamboo Club** restaurant and a **Borders Books, Music and Café** will locate in one of the three buildings making up the development. Previously, **Integrated Information Systems (IIS)** of Tempe and Mesa-based **Joe E.**

Woods Construction said they would make Brickyard on Mill their home. **IIS**, an Internet services company, **expects to grow from 600 to 1,500 employees** over the next two years (see July 29 issue of *Industry Update*).

Tucson Metro Area

Construction

The **first phase** of a three-year, three-part **\$66.5 million expansion of Tucson International Airport** has been awarded to Phoenix-based **Target General Inc.** Starting in September, Target General will build an 18,000-square-foot car-rental facility and 2,000-vehicle parking garage. Work on a 56,000-square-foot expansion of the baggage-claim area and 27,000-square-foot addition for seating and ticket lines on the airport's upper level is scheduled to begin next year. The entire project is expected to be completed by mid-2003.

Finance, Insurance, and Real Estate

Due to efficiency improvements, **Intergroup of Arizona laid off 35 people**, primarily in its claims-processing and medical-management departments. Intergroup recently switched to an electronic claims-processing system called "Authorization Made Simple." The layoffs were not related to a \$17 million loss in 1999, the company said. Intergroup's HMO enrollment in Tucson has increased slightly in 2000.

Government

Calling all teachers. The **Tucson Unified School District (TUSD)** came up **nearly 200 certified positions short** for the 2000-2001 school year. Retiring baby boomers, more lucrative careers, and fewer people wanting to

teach are blamed for the shortage. In April, the district said it would need nearly 400 more teachers and was able to cut that figure in half. Average annual starting pay for certified TUSD employees — teachers, counselors, and librarians — is around \$24,500.

Balance of State

Construction

A Coconino County Superior Court judge removed a petition from the November ballot that would have called for nullifying zoning approved by the Flagstaff City Council for a **233,000-square-foot medical complex**. The **27-acre project in Switzer Canyon**, which **can now go forward**, required rezoning of the property between San Francisco Street and Turquoise Drive from residential to commercial use. Residents opposed to the project because of traffic concerns appeared to have enough valid signatures to get on the ballot, but a re-check of the signatures found the petition 14 valid signatures short.

Services

Aegis Communications Group Inc. is **expanding** its **Sierra Vista call center** for the third time in 10 months, **adding 200 employees**. The expansion, which will bring Aegis' total employment to around 800, is due primarily to its financial services customers, propelled by work from American Express. Workers at the Sierra Vista operation make an average hourly wage of \$8.

Mohave Correctional Properties LLC expects to **begin work** in September on a medium-security **private prison** on 160 acres near Interstate 40 and Yucca Drive, about 15 miles southwest of Kingman. The Edmond, Okla.-based company reached agreement on the prison with the Mohave County Board of Supervisors in September 1999 and has attained nearly all the permits needed to begin construction. **Black Mountain Correctional Facility**, which will take 15 months to complete, will house 2,250 male inmates and is **expected to create between 250 and 400**

jobs, paying an average of \$10 an hour.

At the opposite end of the state, the **Willcox City Council** has agreed to **support Cornell Companies Inc.'s effort to land a 1,500-bed federal prison** that would house non-U.S. citizens. Willcox will pay for infrastructure costs and obtain needed permits and licenses for the \$30-35 million low-security correctional facility that would be located along Highway 186. The **prison is expected to create 250-300 jobs** with an annual payroll of \$15-18 million. Construction of the facility, whether or not Cornell's proposal is chosen, would begin next June.

The **Veterans Administration** will **open an outpatient clinic** in **Lake Havasu City** in September. The 2,500-square-foot facility, which will have seven exam rooms and two doctors offices, will serve an estimated 16,000 veterans in the Lake Havasu City area. The clinic, a satellite facility of the Northern Arizona VA Health Care System in Prescott, will **provide service for non-acute, non-emergent conditions**. No information on the number of jobs that will be created is available.

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